Supreme Court, U.S.
MAR 10 2003

No. 02-428

In the Supreme Court of the United States

DASTAR CORPORATION,

PETITIONER,

v.

TWENTIETH CENTURY FOX FILM CORPORATION, SFM ENTERTAINMENT LLC, AND NEW LINE HOME VIDEO, INC.,

RESPONDENTS.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BRIEF *AMICI CURIAE* OF THE DIRECTORS GUILD OF AMERICA, WRITERS GUILD OF AMERICA, EAST, WRITERS GUILD OF AMERICA, WEST, INC. AND SCREEN ACTORS GUILD, INC. IN SUPPORT OF RESPONDENTS

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INTEREST OF THE *AMICI CURIAE*[1]

Amici curiae are associations of creative artists in the audio and visual media.

The Directors Guild of America (the "DGA") is an association of more than 12,000 directors, assistant directors and unit production managers. Their creative work includes theatrical, educational and documentary film and television productions, as well as videos and commercials. The DGA seeks to protect and advance directors' legal and artistic rights, to contend for their creative freedom, and to secure them fair compensation.

The Writers Guild of America, East (WGA East) is a labor organization of over 4,300 professional authors of stories and screenplays for television, film and interactive media. The Writers Guild of America, West, Inc. (WGA West), in turn, is a labor organization of over 8,500 professional authors of stories and screenplays for television, film and interactive technologies. Both WGA East and WGA West seek to ensure that writers' intellectual property rights are protected, to advance writers' freedom of expression, and to secure fair compensation to writers for their creative work. Collectively, the WGA East and the WGA West are referred to herein as the "WGA."

The Screen Actors Guild, Inc. ("SAG") is an organization of over 120,000 professional actors and performing artists, including dancers, singers and stunt performers, in film, television and commercial productions. SAG seeks to ensure that performers' intellectual property rights are

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[1] Petitioner and Respondents have given permission for the *amici curiae* guilds to file this brief. Copies of the permission letters are attached to the proof of service submitted to the Clerk. No party has authored this brief in whole or in part. The preparation and printing of this *amicus* brief was paid for by the DGA, the WGA and SAG.

protected, and to secure fair compensation to performers for their work.

As creators of audiovisual works, the members of the DGA, the WGA and SAG (collectively, the "*amici curiae* guilds") have a vital interest in protecting against false designations of origin and other consumer and marketplace harms, including protection against the harm of reverse passing off, under the United States Trademark Act of 1946 as amended, 15 U.S.C. §§ 1051, *et seq.* (2000) (the "Lanham Act"), and specifically under Section 43(a) thereof, 15 U.S.C. § 1125(a). In most circumstances, the members of the *amici curiae* guilds are not the holders of copyrights in the audiovisual works that they create, and rely on the Lanham Act to protect their interests and the interests of the public against false designations of origin, sponsorship or approval of goods or services (namely, audiovisual creations) which are likely to cause consumer confusion. Similarly, and consistent with the explicit language of the Lanham Act, the members of the *amici curiae* guilds rely on Section 43(a) to protect against false or misleading descriptions of fact, and false or misleading representations of fact, which are likely to cause consumer confusion. Protection from consumer confusion in the realm of artistic creations is essential to the reputations of, and goodwill associated with, the members of the *amici curiae* guilds and their works.

SUMMARY OF ARGUMENT

The *amici curiae* guilds believe that the decision of the Ninth Circuit should be affirmed for reasons explained in Respondents' brief to this Court. This brief will focus solely on one particularly troubling aspect of Petitioner's contrary argument.

Petitioner has taken the extreme position that the long-standing cause of action for "reverse passing off" under Section 43(a) of the Lanham Act, 15 U.S.C. 1125(a), should be read out of the statute, either in its entirety or specifically with respect to artistic creations. The vast

majority of the *amici* do not support this extreme position, including the Solicitor General, who filed an *amicus* brief in support of the Petitioner. Nearly all of the *amicus* briefs take a more measured approach, commenting on the standard that should be applied to claims of reverse passing off under Section 43(a) of the Lanham Act, rather than advocating the wholesale obliteration of this well-settled doctrine and claim.[2]

Indeed, there seems to be little dispute among the *amici* that the claim of reverse passing off is authorized by Section 43(a) of the Lanham Act to prohibit and redress harm to consumers. All but one of the *amici* agree that the standard for any Section 43(a) claim, including one for reverse passing off, must include a measure of "consumer confusion."[3] The Ninth Circuit's unpublished decision below is in accord, in that the Ninth Circuit viewed the "bodily appropriation" test as a more rigorous proxy for showing likelihood of confusion.

Reaching far beyond the questions presented, however, Petitioner now seeks to call into question the actionable harm that may befall consumers as a result of reverse passing off. As demonstrated below, and as long recognized by federal courts, reverse passing off threatens to cause significant harm in the marketplace by confusing consumers. The Lanham Act is correctly interpreted to provide

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[2] The *amici* who do not state support for Petitioner's advocation of wholesale abrogation of the doctrine of reverse passing off include: the Solicitor General of the United States; the International Trademark Association ("INTA"); the American Intellectual Property Law Association ("AIPLA"); the Intellectual Property Law Professors; and Maria Pollack and Other Law Professors.

[3] The brief of *amici curiae* of the American Library Association, et al., appears to be unsupportive of the doctrine of reverse passing off. *See* Brief of *Amici Curiae* of the American Library Association, et al., at 7.

necessary and appropriate protection against that consumer harm.

Moreover, Petitioner errs in suggesting that application of a reverse passing off claim in the context of creative works results in an inappropriate combination of copyright tenets with the Lanham Act's consumer protections. Congress has expressly relied upon the interplay of the Lanham Act and federal copyright laws to satisfy the United States' treaty obligations under the Berne Convention for the Protection of Literary and Artistic Works (the "Berne Convention"), which requires protection for the moral rights of the authors of creative works, and adoption of Petitioner's argument would jeopardize the Nation's compliance with those obligations.

In sum, the *amici curiae* guilds respectfully urge this Court to reject Petitioner's invitation to read the cause of action for reverse passing off out of the Lanham Act. Eliminating that cause of action would leave a gaping hole in the United States' consumer protection laws, would frustrate the intent of Congress when it enacted and amended the Lanham Act, and would call into question the United States' compliance with its treaty obligations under the Berne Convention.

ARGUMENT

I. THE LANHAM ACT'S PROTECTIONS EXTEND TO CREATIVE WORKS

In the debates leading up to the original Lanham Trademark Act of 1946, 15 U.S.C. § 1051, *et seq.*, the Senate Committee on Patents described the "Basic Purposes of Trademark Legislation" as follows:

> The purpose underlying any trade-mark statute is twofold. One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trade-mark owner.

S. Rep. No. 79-1333 (1946), *reprinted in* 1946 U.S.C.C.A.N. 1274. These policies are as applicable to products that reflect significant creative effort as they are to wristwatches or breakfast cereals. Moreover, these policies apply to creative works, irrespective of their copyright status.

There is no language in the Lanham Act, its legislative history or in reported cases construing the Lanham Act that would exclude creative works from the protections of the statute, as Petitioner's argument would necessitate. To the contrary, and as discussed in Section III below, Congress expressly endorsed the interplay between the Lanham Act and federal copyright protections with respect to creative works when implementing the Berne Convention.

II. THE LONG-STANDING CLAIM OF REVERSE PASSING OFF IS ENCOMPASSED WITHIN THE PLAIN TEXT, AND ADVANCES THE PUBLIC POLICIES, OF SECTION 43(A) OF THE LANHAM ACT, AND IT SHOULD NOT BE DISTURBED

Section 43(a) of the Lanham Act expressly prohibits "false designation of origin, false or misleading description of fact, or false or misleading representation of fact" which is "likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. § 1125(a)(1)(A). Reverse passing off involves the sale of another's products as one's own products. *See* 2 Jerome Gilson, *Trademark Protection and Practice*, § 7.02[5][b] (2002) ("*Gilson*"). According to settled precedent, consistent among the federal circuits, and by its plain statutory language, reverse passing off constitutes a

violation of Section 43(a) of the Lanham Act. *See* Lori H. Freedman, *Reverse Passing Off: A Great Deal of Confusion*, 83 Trademark Rep. 305, 317 (1993) (noting that, with the possible exception of the First Circuit, "all circuits interpret Section 43(a) to prohibit reverse passing off").[4]

The Lanham Act's prohibition against reverse passing off advances important policy interests. Trademark law is designed to prevent consumer confusion as to source, affiliation and sponsorship. *See Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924). Selling a competitor's goods under the false pretense that they are your own creates such confusion no less than selling your own goods while holding them out as the competitor's. *See Gilson*, § 7.02[5][b] (describing underlying rationale); *see also* n.4, *supra*.

The act of reverse passing off threatens a variety of tangible harms. For example, the misattributing party may acquire a fallacious and deceptive reputation for having the ability to originate quality products. *See Arrow United Indus., Inc. v. Hugh Richards, Inc.*, 678 F.2d 410, 414-15 (2d Cir. 1982) (reverse passing off enables company to obtain false competitive advantage). That unearned reputation may injure consumers who later rely on it when purchasing other products from that party—products not simply repackaged from a more competent source. Similarly, the

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[4] *See, e.g., Waldman Publ'g Corp. v. Landoll, Inc.*, 43 F.3d 775 (2d Cir. 1994); *Web Printing Controls Co., Inc. v. Oxy-Dry Corp.*, 906 F.2d 1202, 1203 n.1 (7th Cir. 1990) ("In this circuit, such [reverse passing off] claims have an ancient lineage."); *Lamothe v. Atlantic Recording Corp.*, 847 F.2d 1403 (9th Cir. 1988); *Lipscher v. LRP Publ'ns, Inc.*, 266 F.3d 1305 (11th Cir. 2001); *see also* Restatement (Third) of Unfair Competition, § 5 (1995) ("One is subject to liability...if, in marketing goods or services manufactured, produced, or supplied by the other, the actor makes a representation likely to deceive or mislead prospective purchasers by causing the mistaken belief that the actor or a third person is the manufacturer, producer, or supplier of the goods...").

originating party may be unfairly hindered from associating itself in the public's mind with its ability to create quality products. *Id.* As a result, the consumer is rendered unable to apply previously-acquired knowledge about the originator's products to those products falsely sold as creations of the misattributing party.

The Ninth Circuit broadly summarized these policy concerns:

> As a matter of policy, [reverse] palming off...is wrongful because it involves an attempt to misappropriate or profit from another's talents and workmanship. Moreover, in reverse palming off cases, the originator of the misidentified product is involuntarily deprived of the advertising value of its name and of the goodwill that otherwise would stem from public knowledge of the true source of the satisfactory product. The ultimate purchaser (or viewer) is also deprived of knowing the true source of the product and may even be deceived into believing that it comes from a different source.

Smith v. Montoro, 648 F.2d 602, 607 (9th Cir. 1981) (internal citations omitted). In short, the harms created by reverse passing off fall squarely within the type of marketplace confusion that the Lanham Act was designed to remedy. Reverse passing off thus forms an indispensable component of the Lanham Act protection scheme.

Petitioner's brief denies the existence of any Lanham Act protection whatsoever against reverse passing off. *See* Petitioner's Brief, at 37-40. There is no basis in the text or history of the statute, nor any convincing policy justification, for such a radical and disruptive break with settled law. Moreover, there is no basis to distinguish the application of the doctrine of reverse passing off as it applies to creative works, irrespective of their copyright status, from its application to other goods or services.

In sum, this Court can and should resolve the questions presented without disturbing the long line of federal cases consistently and correctly upholding the Lanham Act's prohibition against reverse passing off.[5] Absent explicit Congressional indication to the contrary, the proven existence of consumer confusion inflicted by reverse passing off should continue to find a corresponding remedy under the Lanham Act.

III. ELIMINATING THE LANHAM ACT'S PROTECTION AGAINST REVERSE PASSING OFF IN THE CONTEXT OF CREATIVE WORKS WOULD JEOPARDIZE THE UNITED STATES' COMPLIANCE WITH THE BERNE CONVENTION

Advocating its extreme position, Petitioner ignores the fact that the Lanham Act's application to creative works is an essential component of the United States' compliance with the moral rights requirements of the Berne Convention. This Court has consistently cautioned against interpreting domestic statutes in a manner that violates international agreements entered into by the United States. *See, e.g., Vimar Seguros y Reaseguros, S.A. v. M/V Sky Reefer*, 515 U.S. 528, 539 (1995) ("If the United States is to be able to gain the benefits of international accords and have a role as a trusted partner in multilateral endeavors, its courts should be most cautious before interpreting its domestic legislation in such manner as to violate international agreements.").

The United States joined the Berne Convention to "secure the highest available level of multilateral copyright

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[5] Similarly, it is not necessary to make determinations regarding the distinction between "express" and "implied" reverse passing off claims, as referred to by the Ninth Circuit in *Smith v. Montoro*, 648 F.2d 602, 605 (9th Cir. 1981). *See generally* 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, §§ 25:6-25:8 (2002).

protection for U.S. artists, authors, and other creators." S. Rep. No. 100-352, at 2 (1988), *reprinted in* 1988 U.S.C.C.A.N. 3706, 3707. The Senate Report on the Berne Convention Implementation Act of 1988 stated that "[a]dherence to the Convention is in the national interest because it will ensure a strong, credible U.S. presence in the global marketplace." *Id.*

Under Article 6*bis* of the Berne Convention, member states are required to provide certain moral rights to protected works. Article 6*bis* provides,

> (1) Independently of the author's economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation.

Berne Convention for the Protection of Literary and Artistic Works, July 24, 1971, art. 6*bis*, 25 U.S.T. 1341, 828 U.N.T.S. 221, 235. To adhere to the Berne Convention, "the United States needed to guarantee that it would accord attribution and integrity rights pursuant to Article 6*bis*..." 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright*, § 8D.02[D][1] (2002) ("*Nimmer*").

Congress determined that existing law in the United States, including Lanham Act provisions, provides such

protection.[6] Congress considered the United States' obligations under Article 6*bis* and concluded that, "[b]ased on a comparison of its laws with those of Berne member countries, and on the current status of Federal and State protections of the rights of paternity and integrity, the Committee finds that current United States law meets the requirements of Article 6*bis*." H.R. Rep. No. 100-609, at 38 (1988) *reprinted in Nimmer*, Vol. 9, App. 32; *see also* Berne Convention Implementation Act of 1988, Sec. 2(3), Pub. L. No. 100-568, 102 Stat. 2853 (1988). "This existing U.S. law includes various provisions of the Copyright Act and Lanham Act..." S. Rep. No. 100-352, at 9 (1988), *reprinted in* 1988 U.S.C.C.A.N. 3706, 3714.

This view has been affirmed by members of Congress and several witnesses testifying before subcommittee hearings. *See, e.g.*, H.R. Rep. No. 100-609, at 33-34 (1988) *reprinted in Nimmer*, Vol. 9, App. 32 (noting the majority view that a "composite of laws" provides the protection envisioned by Article 6*bis*, including section 43(a) of the Lanham Act); 133 Cong. Rec. E2897 (1987) (statement of Rep. Moorhead) (stating that U.S. law, including "the Lanham Act's proscription of false designation of origin,"

[6] The passage of the Visual Artists Rights Act of 1990, subsequent to the United States' adherence to the Berne Convention, does not suggest any deficiency in the United States' prior compliance with Article 6*bis*. *See* Visual Artists Rights Act of 1990, Pub. L. No. 101-650, 104 Stat. 5089 (1990). After Congress determined that existing U.S. law complied with Article 6*bis* when it implemented the Berne Convention, the debate continued on whether the United States should adopt *additional* moral rights laws, and Congress chose to do so. *See* H.R. Rep. No. 101-514, at 8 (1990), *reprinted in* 1990 U.S.C.C.A.N. 6915, 6918. Nor should the Visual Artists Rights Act be construed to limit the protection of other laws, such as the Lanham Act, to those artists not covered under the Visual Artists Rights Act. *See Nimmer*, § 8D.02[A] (noting that the Visual Artists Rights Act has "no application to other copyrightable subject matter," and moral rights protection will follow "the broad but amorphous protection accorded to all other types of copyrightable compositions").

provides sufficient protection of paternity and integrity rights for compliance with the Berne convention); 134 Cong. Rec. S14,553 (1988) (statement of Sen. DeConcini) (noting that U.S. laws, including the Lanham Act, "have been applied by courts to redress authors for injuries suffered as a result of the violation of their moral rights"); 134 Cong. Rec. H3083 (1988) (statement of Rep. Kastenmeier) ("Most observers agree that current law, including the Lanham Act...contains the basic elements of moral rights sufficient to comply with Berne.").

The claim of reverse passing off under Section 43(a) of the Lanham Act is an important part of this existing "composite of laws" that Congress deemed sufficient to provide the type of moral rights required for Article 6*bis* compliance. Indeed, the Ad Hoc Working Group on U.S. Adherence to the Berne Convention—whose report Congress relied upon in concluding that existing United States law satisfied the moral rights obligations under the Berne Convention—specifically cited the Ninth Circuit's decision in *Smith v. Montoro*. 648 F.2d 602 (9th Cir. 1981). *Montoro* involved a successful claim for reverse passing off in the context of a creative work: "False identification of another as author...may give rise to a claim by the actual author under section 43(a) of the Lanham Act." Final Report of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention, *reprinted in* 10 Colum.-VLA J.L. & Arts 513, 553 (1986) (citing *Smith v. Montoro*, 648 F.2d 602 (9th Cir. 1982)). By relying on the Lanham Act's protections to ensure the United States' compliance with the requirements of Article 6*bis*, Congress recognized that the Lanham Act has an important application to creative works.

Particularly in light of the United States' treaty obligations under the Berne Convention, the *amici curiae* guilds respectfully urge the Court to reject Petitioner's invitation to abrogate the Lanham Act's well-settled application to creative works or to eliminate the long-

standing cause of action for reverse passing off. Acceptance of Petitioner's argument would jeopardize the United States' compliance with its treaty obligations and undo the fabric of protections afforded to creators of artistic works under United States law.

In sum, the settled precedent upholding the claim of reverse passing off under the Lanham Act should not be disturbed; the Lanham Act should continue to apply to creative works just as it applies to any other goods or services. The Courts' continued recognition of a cause of action under Section 43(a) of the Lanham Act for reverse passing off will protect the public and artists in appropriate circumstances, and will preserve the United States' compliance with its treaty obligations.

CONCLUSION

For the reasons stated in Respondents' brief, the decision of the Ninth Circuit should be affirmed. And for the foregoing reasons, the *amici curiae* guilds respectfully urge, in particular, that this Court reject Petitioner's suggestion that the cause of action for reverse passing off under Section 43(a) of the Lanham Act be eliminated in its entirety or specifically with respect to creative works.

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